

The Matter of the Impasse Between)	
)	
Calaveras Unified School District)	FACTFINDING REPORT
)	AND RECOMMENDED
and)	TERMS OF SETTLEMENT
)	
Calaveras Unified Education Association)	
CUEA/CTA)	PERB CASE #SA-IM-3410-E
)	REPORT ISSUED
)	June 6, 2017

Hearing Held on May 23, 2017

COMPOSITION OF THE FACTFINDING PANEL

Impartial Chairperson: **John G. Moseley, CEO**
 JC Moseley HR & Educational Services
 36835 Lexington Avenue
 Madera, CA 93636-8212

Calaveras Unified School
District Panel Member: **Ron Bennett, CEO**
 School Services of California INC.
 1121 L Street, Suite 1060
 Sacramento, CA. 95814

Calaveras Unified Education Association
Panel Member: **Laura Schultz**
 Regional Uniserv Staff – Negotiations Specialist
 Negotiations & Organizational Development
 California Teachers Association
 4100 Truxel Road
 Sacramento, CA 95834

MAKING PRESENTATIONS TO THE FACTFINDING PANEL:

**For Calaveras Unified
School District:**

**John Gray, President
School Services of California, INC.
1121 L Street, Suite 1060
Sacramento, CA. 95814**

**For Calaveras Unified
Education Association
Panel Member:**

**Brian McNally
Negotiations and Organizational Development
California Teachers Association
5330 North Fresno Street
Fresno, CA 93710**

DISTRICT FACTS

Calaveras Unified School District is unique in that it covers 235 square miles and serves a K-12 enrollment of 2,996 students in ten schools.

The District has experienced an enrollment decline of almost 10% from 2011. (Appendix A (pp.15-16) Summary of District Facts).

HISTORY OF NEGOTIATIONS

The Association and the District exchanged proposals in March 2016. Bargaining teams conducted five at the table bargaining sessions from May 2016 through January 2017.

On April 5, 2017, the parties met with the state mediator. No agreement was reached during mediation and the mediator certified the parties to factfinding on or about April 12, 2017.

5/31/2016	At table
9/15/2016	At table
10/24/2016	At table
11/14/2016	At table
1/24/2017	At table
4/5/2017	Mediation with State Mediator

RELEVANT FACTORS

California Government Code

3505.4. (a) The employee organization may request that the parties' differences be submitted to a factfinding panel not sooner than 30 days, but not more than 45 days, following the appointment or selection of a mediator pursuant to the parties' agreement to mediate or a mediation process required by a public agency's local rules. If the dispute was not submitted to mediation, an employee organization may request that the parties' differences be submitted to a factfinding panel not later than 30 days following the date that either party provided the other with a written notice of a declaration of impasse. Within five days after receipt of the written request, each party shall select a person to serve as its member of the factfinding panel. The Public Employment Relations Board shall, within five days after the selection of panel members by the parties, select a chairperson of the factfinding panel.

(b) Within five days after the board selects a chairperson of the factfinding panel, the parties may mutually agree upon a person to serve as chairperson in lieu of the person selected by the board.

(c) The panel shall, within 10 days after its appointment, meet with the parties or their representatives, either jointly or separately, and may make inquiries and investigations, hold hearings, and take any other steps it deems appropriate. For the purpose of the hearings, investigations, and inquiries, the panel shall have the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence. Any state agency, as defined in Section 11000, the California State University, or any political subdivision of the state, including any board of education, shall furnish the panel, upon its request, with all records, papers, and information in their possession relating to any matter under investigation by or in issue before the panel.

(d) In arriving at their findings and recommendations, the factfinders shall consider, weigh, and be guided by all the following criteria:

- (1) State and federal laws that are applicable to the employer.
- (2) Local rules, regulations, or ordinances.
- (3) Stipulations of the parties.
- (4) The interests and welfare of the public and the financial ability of the public agency.

(5) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services in comparable public agencies.

(6) The consumer price index for goods and services, commonly known as the cost of living.

(7) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(8) Any other facts, not confined to those specified in paragraphs (1) to (7), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.

(e) The procedural right of an employee organization to request a factfinding panel cannot be expressly or voluntarily waived.

3505.5 (a) If the dispute is not settled within 30 days after the appointment of the factfinding panel, or, upon agreement by both parties within a longer period, the panel shall make findings of fact and recommend terms of settlement, which shall be advisory only. The factfinders shall submit, in writing, any findings of fact and recommended terms of settlement to the parties before they are made available to the public. The public agency shall make these findings and recommendations publicly available within 10 days after their receipt.

(b) The costs for the services of the panel chairperson selected by the board, including per diem fees, if any, and actual and necessary travel and subsistence expenses, shall be equally divided between the parties.

(c) The costs for the services of the panel chairperson agreed upon by the parties shall be equally divided between the parties, and shall include per diem fees, if any, and actual and necessary travel and subsistence expenses.

The per diem fees shall not exceed the per diem fees stated on the chairperson's résumé on file with the board. The chairperson's bill showing the amount payable by the parties shall accompany his or her final report to the parties and the board. The chairperson may submit interim bills to the parties in the course of the proceedings, and copies of the interim bills shall also be sent to the board. The parties shall make payment directly to the chairperson.

(d) Any other mutually incurred costs shall be borne equally by the public agency and the employee organization. Any separately incurred costs for the panel member selected by each party shall be borne by that party.

(e) A charter city, charter county, or charter city and county with a charter that has a procedure that applies if an impasse has been reached between the public agency and a bargaining unit, and the procedure includes, at a minimum, a process for binding arbitration, is exempt from the requirements of this section and Section 3505.4 with regard to its negotiations with a bargaining unit to which the impasse procedure applies.

Agreed to Stipulations

There were no agreed to stipulations.

ISSUE(S)

1. Article 7 - Class Size
2. Article 10 – Compensation Health Care benefits & CAP
3. Article 10.2.8 – Compensation – Additional Students/Overage Pay/Class Splitting
4. Article 10.5 – Additional Compensation
5. Article 11.2 – Working Conditions – Kindergarten assignments
6. Article 11 (new section) – Working Conditions - School Site Safety
7. Article 11 – Working Conditions, School Calendar
8. New Article – Teacher on Special Assignment
9. New Article - Career Technical Education Members

See Appendix B (pp 30-38) *Issues Defined* for detailed description of specific Articles and District/Association Positions

RELAVENT FACTS FROM THE HEARING

1. The District is not claiming an inability to pay defense.
2. While the fact-finding hearing is for the 2016-2017 contract year, both the employer and the association have agreed that the fact-finder's recommendation could cover the 2017-2018 fiscal year as well.
3. The State of California allows the County Office of Education to classify a District's budget by three categories:
 - a. Positive, which means the District's budget is in good shape, it can pay its bills and there are no issues with its budget and it meets its minimum reserves.
 - b. Qualified, which means the District can meet its bills, it can meet its reserves, but its budget needs to be reviewed by the County Office of Education to assure that it remains fiscally sound.
 - c. Negative, which means that the District budget is running a deficit and may not be able to pay its bills, and the County Office of Education can recommend and/or make alterations in the District's budget.

The normal process is for a district to submit its budget and supporting documents to the County Office of Education which reviews the materials and then assigns a Positive, Qualified, or negative Status to the District. Districts may request Qualified or Negative Status and the County Office of Education may grant their request.

4. The Association Panel Member, Laura Schultz, pointed out that while the District is shown to be in a Qualified Status by the County Office of Education, she wanted it noted that the District requested that qualification from the County Office of Education not that the County Office of Education had unilaterally placed the District in the Qualified Status, [Appendix A, (pp.3,4,5) *Second Interim*].
5. Both the data from the District and from the Association show the District reserves were growing from 11.55% in 2014-15 to 14.02% in 2015-16, and 15.53% in 2016-17. While there was some dispute over the exact dollars, there was no dispute over the fact that the reserves were in fact increasing as were the district revenues and that the reserve percentage was correct. The recommended reserve percentage for a district this size is 3%. [Appendix A, pp 6,7) *Budget Essentials for Negotiations*]
6. The Association pointed out that there are eight long term service teachers who will be retiring at the end of this school year. The Association's calculation was that approximately \$96,000 in savings per teacher times 8 equals approximately \$768,000 in savings to the District. The Association

did state that if these teachers were replaced by interns or beginning teachers, that one would have to deduct those wages from the savings.

Neither side provided exact numbers therefore I have done a calculation on the approximate savings.

- a. Intern costs for 8 interns @ \$35,500 each=approximately \$284,000, thereby saving the District approximately \$484,000.
 - b. Beginning Teacher costs for 8 beginning teachers @ \$41,100 each=approximately \$328,800, thereby saving the District approximately \$439,200.
7. The cost of a 1% salary increase for the Teachers' Association including all statutory benefits is \$120,478. [Appendix (B p.15) *Summary of District Facts*]
8. There was a proposal by the Association to add an additional \$100 to the employer's contribution towards the health care CAP.
9. There was an additional proposal that any monies not utilized in paying for the health insurance CAP for employees taking plans below the CAP level, would be placed into a health insurance account from which those employees would be allowed draw in order to pay for co-pays and deductions.
10. At the close of the fact-finding hearing the Association presented a document which had been negotiated several years ago, which they believed guaranteed them ½ of all new unrestricted funds after the Governor's May revision of the budget. [Appendix A (p.22) *CUEA & CUSD 2014-15 Agreement*].
The employer objected because it was an old document and the funds it referred to were allocated after the May Revise under the Revenue Limit Formula and funding of schools was now controlled by the LCFF. There was no further discussion by either side on this language. I received a document from the employer reaffirming their position. [Appendix A (p.23) Article 10.5 *Summary of Arguments*]. As to the *CUEA & CUSD 2014-15 Agreement* document, If the Association believes it is still a valid bargaining document, the Association has other avenues to seek enforcement of the document. As such, I will not be ruling on the validity of the document.
11. Additionally, I received a second document in *Ron Bennett's 5/27/17 e-mail* titled *Calaveras USD's Analysis of Retirements vs. New Hires*. [Appendix A, (p.24)].
It shows nine (9) CUEA bargaining unit members retiring in the retirement year of 2016-2017, and indicates that in the year 2016-17, according to the

District's numbers, the District showed a savings of \$20,900 due to these retirements.

Using the Association's information and based upon conversations I had with the Association's Panel Member showed 8 teachers retiring in 2017-2018 which results in the savings calculated above in #6 above when using the numbers provided by the Association. The Association also stated that there had no retirement incentive offered to any member of the bargaining unit since 2014; by incentive the Association said there was no PARS, no "Golden Handshake", and no retirement incentive on the part of the employer to encourage long serving employees to retire.

RECOMMENDATIONS

I was advised by both parties that since the fact-finding addressed the entire contract, that if an Article was not brought to the Fact-Finding Panel, that it should be viewed as agreed to at status quo and agreed to by both parties as a tentative agreement and therefore I will make no recommendations on those particular Articles. 11.1.4;

1. **Article 7, Class Size:** California State Law requires that absent a collective bargaining agreement providing for an alternative level of student to teacher ratio, class sizes are supposed to be 24 students per 1 teacher per classroom. *California Educational Code §42238.02.*

Failure to meet that level in any classroom causes the district to lose funding that it now receives and which would cause the district fiscal hardship. I am recommending that for the fiscal year 2016-2017, the ratio be 30:1. My recommendation for the fiscal year 2017-2018, is that the ratio be 28:1 and for the fiscal year 2018-2019, the ratio be 24:1.

I am recommending that the parties during the 2017-2018 school year to review their progress in moving towards the 24:1 goal and if necessary that the parties negotiate another MOU extending the time for the District to reach the 24:1 ratio.

The Calaveras USD, like all of the mountain and rural schools is dealing with declining enrollment which can have a positive and negative impact on achieving the 24:1 ratio. By meeting during the 2017-2018 school year, the District and Association are buying time to allow themselves some flexibility so they can adapt to unforeseen circumstances [Appendix A, (p.25) *District Facts: Fact 9*].

1. **Article 7-4, Overage Pay:** Overage Pay bands shall be paid at the top teachers' salary scheduled hourly rate which currently is \$51.94/hour.
2. **Article 10, Health Insurance:** When looking at the data provided by the employer on health and welfare benefits in the District binder pages 114 and 115, I find that CUEA is in the middle or at the bottom of health insurance compensation. I therefore, recommend a \$50 increase in the District

contribution to the health insurance premium for the 2016-2017 fiscal year retroactive back to July 1, 2016, and a \$50 increase in the employer's contribution to health insurance premiums effective July 1, 2017 for the 2017-2018 fiscal year.

3. **Article 10, Salary:** When putting my recommendation for salary together, I had to deal with the unusual circumstance of a District putting itself into a "Qualified Financial Status". This required me to review the data several times and to review the growth, if any, in the District's overall funds if any as well as its reserves, and like the other rural mountain schools, its declining enrollment [Appendix A (p.25)].

Additionally, both the District and the Association clearly made a concerted effort to find the most advantageous school districts to support their respective positions. The Association included schools such as Lincoln and Lodi USD's while the District included Del Norte County and Lake Tahoe. Even with these efforts, what was clear is that Calaveras USD like with its health insurance was either in the middle or at the bottom of the comparable salary schedules for the employer and was at the bottom of the comparable salary schedules for the Association's data. [Appendix A (p. 26, 27,28, 29) *Article 10 Compensation and Compensation Comparability*].

This brought me back to the District's LCFF and budget funding data which show the District to have a growing reserve and having received additional new funds in its general revenue from the LCFF and unrestricted LCAP monies.

Additionally, the Calaveras USD received additional funding because it has so many students in free and reduced lunch, concentrated poverty and other qualifying categories for increased LCFF funding.

I am aware that many economists believe that the 2018-2019 and other out years will be fiscally tight for schools as we are near reaching the Governor's goal when it comes to school funding. However, that has not been the case for the 2016-17, 2017-18 years, and the Calaveras USD is in a position that it can afford to give its employees a salary increase.

I am recommending a 4% salary increase for the 2016-2017 fiscal year retroactive to July 1, 2017 and a 2.5% salary increase effective July 1, 2017 for the 2017-2018 fiscal year.

4. **Article 10-2-8, Class Splitting:** When a teacher is absent from their classroom, the District will make a good faith effort to first find a substitute teacher. If a substitute teacher is not found to fill in for the teacher during his/her absence, and the students are placed into another teacher's classroom or divided amongst two or more teachers, those teacher(s) who are assigned to receive the students from the absent teacher's class, shall receive the current highest substitute teacher rate in addition to their normal daily rate as compensation for having to absorb additional students.
5. **Article 11, (new section), School Safety:** The District shall establish a safety committee with an equal representation of CUEA appointed members and management to look at safety issues. The committee shall have the authority to initiate a review of the District for safety issues and to receive complaints and information from employees about safety issues. The committee shall then make recommendations to the Board of Education to deal with the identified safety issue(s).
6. **Article 11, Working Conditions, Kindergarten Teachers:** While the Association sought to have all Kindergarten Teachers assigned as full time assignments, this language was not discussed during the Fact-Finding hearing by either the Association or the District. Therefore, I cannot make a recommendation that Kindergarten Teachers assignments be classified as full time, other than that it be a subject for bargaining in the 2017-2018 fiscal year.
7. **Article 11, Working Conditions, School Calendar:** The Association informed the Fact-finding Chair that the District had failed to negotiate the 2017-2018 school calendar. There was no further discussion by either the Association or the District on this matter. It is a mandatory subject of bargaining under PERB and if the employer is refusing to bargain over the

school calendar I recommend that the Association seek its remedy with PERB.

8. **New Article, Career Technical Education Members:** During the 2016-2017 fiscal year, the Career Technical Education Members became part of the CUEA bargaining unit. I recommend that the District will provide those people in the Career Technical Education classification, release time or assist in their enrollment into any intern program or other program designed to seek a credential should they so desire. At the completion of and upon obtaining a teaching credential, they shall be placed on the CUEA salary schedule based upon their years of service with the District and treated as any other CUEA bargaining unit member would be treated for the purposes of salary, and seniority.

Those CTE members who wish to remain non-credentialed will maintain their contract and statutory benefits and their wages will be increased by any salary increases that are negotiated and applied to the CUEA bargaining unit.

9. **New Article - Teacher on Special Assignment(TOSA):** Teachers on special assignment who are funded by funds outside of the general unrestricted revenues that the District receives, may serve in their special assignment at the District's discretion.

Teachers on special assignment that are funded by unrestricted general revenue shall be limited to two teachers' positions district-wide and for a maximum of two years so long as classroom student to teacher ratios are adhered to pursuant to the Association and District's MOU on teacher to student ratio.

SIGNATURE PAGE

Association Panel Member
Concur _____ Dissent _____

_____ Attached Statement

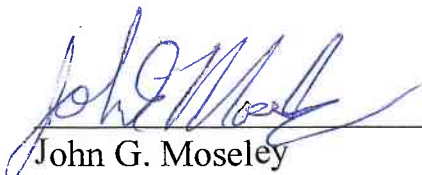
District Panel Member
Concur _____ Dissent _____

_____ Attached Statement

Laura Schultz
Regional Uniserv Staff
Negotiations Specialist
Ca. Teachers Association

Ron Bennett
CEO
School Services of California INC.

Panel Chair



John G. Moseley
Factfinder

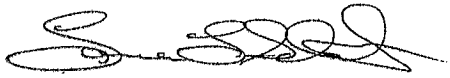
SIGNATURE PAGE

Association Panel Member
Concur X Dissent

 N/A Attached Statement

District Panel Member
Concur Dissent

 Attached Statement



Laura Schultz
Regional Uniserv Staff
Negotiations Specialist
Ca. Teachers Association

Ron Bennett
CEO
School Services of California INC.

Panel Chair

John G. Moseley
Factfinder

SIGNATURE PAGE


Association Panel Member
Concur _____ Dissent _____

_____ Attached Statement

District Panel Member
Concur _____ Dissent X

 YES Attached Statement

Laura Schultz
Regional Uniserv Staff
Negotiations Specialist
Ca. Teachers Association



Ron Bennett
CEO
School Services of California INC.

Panel Chair

John G. Moseley
Factfinder

Calaveras Unified School District-Calaveras Unified Education Association

PERB Case Number SA-IM-3410-E, Impasse Factfinding

Dissenting Opinion of the District Appointed Panel Member,

Ronald W. Bennett, Chief Executive Officer, School Services of California, Inc.

This dissenting opinion is submitted under the provisions of Government Code 3548.3 and I submit the following to be permanently attached to the report of factfinding after hearing dated June 6, 2017.

Summary of this Dissent

I must dissent with this report in its entirety. It is not based upon factual evidence and it fails to consider the interests of the public. My dissent will be lengthy, and somewhat technical, however I believe that the length is necessary to address the deficiencies in this report. This report does not represent the work of the entire fact finding panel; it represents a combination of erroneous statements of "fact", misstatements of the facts, erroneous calculations, poor understanding of the laws surrounding the Local Control Funding Formula (LCFF), and reliance upon ex parte communications between the union panel member and the panel Chair.

Under the Local Control Funding Formula (LCFF) the Board of Education is given significantly increased local control of resource and program decisions. The Board is charged with conducting an open hearing public process for adoption of the Local Control and Accountability Plan (LCAP). The District receives a base grant for all students and additional money to help close the achievement gap. The LCAP is the public document the Board is legally required to use to allocate those additional dollars; the law is clear, the additional funds must be used to increase and improve services to the students who generate this additional funding. The recommendations in this report are completely one-sided in that there is not a single improvement in the program delivered to any student in the District. (Citation Title 5 Education, Division 1 California Department of Education, Chapter 14.5 Local Control Funding Formula, Attachment A.)

In fact, if the District were to implement these flawed recommendations it would need to dismantle academic programs, lay off staff and perhaps even close neighborhood schools. The District has the ability to pay for a balanced program. It does not receive sufficient funding to provide excessive compensation increases without reducing programs for students.

Factual Errors and Misstatements

The Chair begins the report with 11 assertions that he refers to as "Facts", several of them are clearly misinterpretations and errors in understanding of basic financial and legal principles related to California school districts. For example:

Fact 3 The Chair cites and relies upon anecdotal assertions by the union panel member as to the law surrounding financial certifications by school districts. Since 1991, each individual school district is required to self-certify the status of its financial solvency; more than 90% of certifications below positive are self-certifications by districts. The Chair incorrectly states that the normal process is the County Office of Education “reviews the materials and then assigns” the rating. That is in contradiction to the law. The COE has the responsibility for reviewing the self-certification and then may reduce the certification if it believes the district has misstated its financial position. (Citation Education Code Section 42131, Attachment B.)

This ignorance of basic certification principles is important because the Chair states in the report that in formulating his recommendations in Article 10, Salary, he had to deal with this “unusual circumstance” of a district self-certifying Qualified. This breach of understanding appears to have resulted in the Chair recommending a higher salary increase because he misapplied the law.

As illustrated in the table below, if it accepted the union salary proposal only, the District would be deficit spending by more than 10% per year immediately upon implementation. The district has an agreement to pay other bargaining units the same increase as the teachers, that would increase the total cost of the salary increase to \$2.1 million and increase projected deficit spending in 2017-18 and beyond to more than \$3.2 million dollars, a breathtaking 15% of the annual budget. But remarkably, the cost of the Chair’s total compensation recommendation including benefit increases, hourly payments and other costly recommendations, exceeds even this excessively high level.

Unrestricted General Fund –MYP with Association’s Proposal			
	2016-17	2017-18	2018-19
Revenues	\$21,465,008	20,324,602	\$20,239,801
Expenditures*	22,870,655	22,586,865	22,794,697
Net Increase/(Decrease)	(1,405,647)	(2,262,263)	(2,554,896)

*9.51% ongoing salary increase = \$1,144,541

Does not include \$100/month medical cap increase or cost of “Me Too” for classified

Fact 4 The Chair cites as a fact an equally incorrect assertion attributed to the union panel member as to the process for financial certifications. Whether caused by poor understanding of the law or by intentional misleading, the fact remains that the Chair stated that he relied upon incorrect assertions made by the union panel member in ex parte communications outside the hearing.

Fact 5 The Chair states that there is no dispute that reserves are growing, this is incorrect. The district clearly showed that as of the 2017-18 Second Interim Report submitted in March 2017, the District projects increasingly higher deficit spending in the current and each future year.

Unrestricted General Fund – Multiyear Projection (MYP)			
	2016-17	2017-18	2018-19
Revenues	\$21,465,008	20,324,602	\$20,239,801
Expenditures	21,726,114	21,442,324	21,650,156
Net Increase/(Decrease)	(261,106)	(1,117,722)	(1,410,355)

Source: District-provided data

These deficits are a result of the increased costs of CalSTRS and CalPERS payments, step and column costs, and loss of revenue from declining enrollment. The recommendations of the Chair would, if implemented, dramatically raise the level of deficit spending.

Fact 6 The issue of retirements is important to the financial condition of the District because sometimes savings can occur. In this case, the Chair cites the union panel member as estimating that 8 retirements would result in savings of \$96,000 each. This is incorrect, the District provided the names and salaries of each retiring teacher and not a single one is at the maximum salary. Additionally, the Chair ignores the cost of post-retirement health benefits and significantly understates replacement costs. The panel had this table in its possession at the time of the report but chose to ignore the facts. This resulted in an error of \$418,000 in the Chair's estimate of funds available to the District.

Calaveras USD's Analysis of Retirements vs New Hires								
<u>Notes</u>	<u>Retiree (Names Deleted)</u>	<u>Hire Date</u>	<u>Salary</u>	<u>10.3 - 1 yr Final Comp.*</u>	<u>Retirement Benefits*</u>	<u>Salary minus retiree costs</u>	<u>New Hires</u>	<u>1st Yr Attrition</u>
CTE		7/24/1994	50,975		11,667	39,308	50,975	(11,667)
Replaced with VP		8/24/1990	—		—	—	—	—
		7/29/1998	76,248	25,000	7,440	43,808	48,600	(4,792)
		8/21/1989	83,921		11,667	72,254	48,600	23,654
		7/26/2002	83,921	25,000	5,580	53,341	48,600	4,741
		7/25/2003	57,081	25,000	8,370	23,711	48,600	(24,889)
0.5 FTE		8/24/1992	41,100		5,385	35,715	24,300	11,415
		1/6/1997	82,199		5,580	76,619	48,600	28,019
Federally Funded		4/1/1998	—		5,580	(5,580)	—	(5,580)
		TOTALS	\$475,444	\$75,000	\$61,269	\$339,175	\$318,275	\$20,900

Source: Factfinding Report page 24

Further, the Chair states that neither side provided exact numbers; that is not true. As stated by the Chair in Fact 11, the district provided the detailed precise calculation shown above, using the actual named retirees, their post-retirement health benefits, and the actual replacement costs of teachers hired over the past year. This calculation is correct and valid, but the Chair chose to disregard it entirely.

Instead, he bases his decision on an erroneous calculation that assumes every retirement is at the maximum salary, every replacement is at the minimum salary and health benefits are ignored. The Chair based his compensation recommendations on this flawed methodology that assumed a savings of \$439,000 when he had clear documentation that the actual savings will be only \$20,900. This \$418,000 error is the equivalent of a 3.5% change in salary, almost exactly equal to the salary recommendation he offers. Had he used the correct calculation and applied it to his salary recommendation, the recommendation would have been mathematically reduced to near zero.

This is a major mistake, made by ignoring the accurate information provided to the panel by the District.

Fact 11: In Fact 11, the Chair repeats that he disregarded the District calculations of retirement saving and instead relies upon a union guess provided during ex parte communications and his own incorrect calculations.

Overall, reliance upon these major material misstatements and errors renders the report ineffective.

The Recommendations

Article 7, Class Size: The recommendation of the Chair is that the District hire additional teachers to reduce class sizes in grades K-3 every year. Nowhere in the report does the Chair include the cost of this recommendation and its impact on existing programs for students. Further, the Chair cites declining enrollment, which the District emphasized in its presentation, but he completely ignores the negative financial impacts of declining enrollment. This loss of funding is significant.

The chair incorrectly states that the penalty is incurred if even one classroom is out of compliance; this too is incorrect. Compliance is determined by school site not by classroom.

Article 7-4, Overage Pay: The Chair recommends that every teacher be paid at the hourly rate of the highest paid teacher for this work. The union did not produce evidence of any other district having a comparable practice. Why would the lowest paid teacher be paid at such a high rate for this singular duty?

Article 10, Health Insurance: The three most costly items in the District budget are class sizes, salaries and health benefits; the Chair recommends that substantial additional funds be expended for all of them. That is not affordable or possible.

Article 10, Salary: The Chair totally ignores the provisions of Title 5 requiring the additional funds for poor children, English learners, and foster youth to be spent to principally benefit those students. The Chair recommends that all of those funds, and more, be spent on additional

bargaining unit costs. There is not a single provision in any of the Chair's recommendations that would benefit even one student that generates additional funding.

Article 10-2-8, Class Splitting: Teachers are paid for a specified workday, some days they are required to help cover for the absence of a teacher. The Chair proposes the teacher be paid twice for the same day. None of the comparable district offered by the union had a similar practice.

New Article, Career Technical Education Teachers: Four current District employees who teach Career Technical Education courses have recently become represented by the teacher's bargaining unit. These teachers have been on a separate salary schedule, may not have academic degrees, and do not possess the education and experience of fully credentialed K-12 teachers. They should remain on their current salary schedule.

Cost of the Recommendations

The Chair has recommended a package of enrichments to adults that would, if accepted, disadvantage programs for students in exchange for compensation of adults. Here is a summary of the costs the Chair recommends with all costs expressed as if the dollars had been applied as a salary equivalent:

	2016-17	2017-18	Ongoing Cost
Salary	4.0%	2.5%	6.5%
Health Benefits (Salary Equivalent)	1.0%	1.0%	2.0%
Class Size (K-3) Estimated Cost		2.0%	2.0%
Increased Cost of Overage Penalties		1.0%	1.0%
Class Splitting		1.0%	1.0%
Potential CTE Raises		1.3%	1.3%
Total Percentage	5.0%	8.8%	13.8%
Total Dollar Increase (Teachers)	\$600,000	\$1,066,000	\$1,656,000
Cost of Classified (Salary and H&W)	\$500,000	\$880,000	1,380,000
Total Cost	\$1,100,000	\$1,946,000	\$3,036,000

The Chair's recommendations would be unreasonable and unaffordable for any district but particularly for this District which is already "Qualified" and making budget reductions to maintain its solvency. The table above does not include the cost of declining enrollment, employer increases in CalPERS and CalSTRS payments, or step and column raises which are over and above the increases shown above; the Chair erroneously ignored those costs.

The only source of dollars to fund these excessive recommendations are cuts to current programs. The interests of the public are not served by staff layoffs, reduction in student programs and perhaps school closures, all of which might be necessary if the Chair's recommendations were accepted.

If the District were to accept the Chair's recommendations, it would by its own hand immediately become "Negative" in its financial condition and a ward of the state. The District should, therefore, completely reject all of the recommendations of the Chair.

Closing Summary

In closing, my dissent is based upon the principle that this fact finding report contains no findings based upon facts. It represents a giveaway to adults at the expense of programs for children. The COE has affirmed the District's long term financial issues and has required a recovery plan which dictates budget reductions even before implementation of any of the costly recommendations in this report. This report makes the situation far worse.

As a reminder, this report is advisory and in no way binds the parties. I recommend that the District immediately reject the report; it provides no viable avenues toward settlement. Over my experience in hundreds of impasses and fact findings, the process is usually successful. In this case it has failed miserably and, in my view, does not help the parties at all.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Bennett", with a long, sweeping horizontal line extending to the right.

RON BENNETT

District Panel Member

Title 5. EDUCATION

Division 1. California Department of Education

Chapter 14.5. Local Control Funding Formula

**Subchapter 1. Local Control Funding Formula Spending Regulations for
Supplemental and Concentration Grants and Local Control and Accountability
Plan Template**

**Article 1. Local Control and Accountability Plan and Spending Requirements for
Supplemental and Concentration Grants**

§ 15494. Scope.

(a) This chapter applies to all local educational agencies (LEAs) as defined in section 15495(d).

(b) Funding restrictions specified in Education Code section 42238.07 apply to local control funding formula (LCFF) funds apportioned on the basis of unduplicated pupils pursuant to Education Code sections 2574, 2575, 42238.02, and 42238.03.

(c) The local control and accountability plan (LCAP) shall demonstrate how services are provided according to this chapter to meet the needs of unduplicated pupils and improve the performance of all pupils in the state priority areas.

NOTE: Authority cited: Sections 42238.07 and 52064, Education Code. Reference: Sections 2574, 2575, 42238.01, 42238.02, 42238.03, 42238.07, 47605, 47605.6, 47606.5, 52052, 52060, 52061, 50062, 52063, 52064, 52066, 52067, 52068, 52069, 52070, 52070.5, and 64001, Education Code; 20 U.S.C. Sections 6312 and 6314.

§ 15495. Definitions.

In addition to those found in Education Code sections 2574, 42238.01, and 42238.02, the following definitions are provided:

(a) "Consult with pupils," as used in Education Code sections 52060, 52066, and 47606.5, means a process to enable pupils, including unduplicated pupils and other numerically significant pupil subgroups, to review and comment on the development of the LCAP. This process may include surveys of pupils, forums with pupils, pupil advisory committees, or meetings with pupil government bodies or other groups

1 representing pupils.

2 (b) "English learner parent advisory committee," as used in Education Code sections
3 52063 and 52069 for those school districts or schools and programs operated by county
4 superintendents of schools whose enrollment includes at least 15 percent English
5 learners and at least 50 pupils who are English learners, shall be composed of a
6 majority of parents, as defined in subdivision (e), of pupils to whom the definition in
7 Education Code section 42238.01(c) applies. A governing board of a school district or a
8 county superintendent of schools shall not be required to establish a new English
9 learner parent advisory committee if a previously established committee meets these
10 requirements.

11 (c) "Local control and accountability plan (LCAP)" means the plan created by an LEA
12 pursuant to Education Code sections 47606.5, 52060, or 52066, and completed in
13 conformance with the LCAP and annual update template found in section 15497.5.

14 (d) "Local educational agency (LEA)" means a school district, county office of
15 education, or charter school.

16 (e) "Parents" means the natural or adoptive parents, legal guardians, or other
17 persons holding the right to make educational decisions for the pupil pursuant to
18 Welfare and Institutions Code section 361 or 727 or Education Code sections 56028 or
19 56055, including foster parents who hold rights to make educational decisions.

20 (f) "Parent advisory committee," as used in Education Code sections 52063 and
21 52069, shall be composed of a majority of parents, as defined in subdivision (e), of
22 pupils and include parents of pupils to whom one or more of the definitions in Education
23 Code section 42238.01 apply. A governing board of a school district or a county
24 superintendent of schools shall not be required to establish a new parent advisory
25 committee if a previously established committee meets these requirements, including
26 any committee established to meet the requirements of the federal No Child Left Behind
27 Act of 2001 (Public Law 107-110) pursuant to Section 1112 of Subpart 1 of Part A of
28 Title I of that act.

29 (g) "Prior year" means one fiscal year immediately preceding the fiscal year for
30 which an LCAP is approved.

31 (h) "Services" as used in Education Code section 42238.07 may include, but are not

1 limited to, services associated with the delivery of instruction, administration, facilities,
2 pupil support services, technology, and other general infrastructure necessary to
3 operate and deliver educational instruction and related services.

4 (i) "State priority areas" means the priorities identified in Education Code sections
5 52060 and 52066. For charter schools, "state priority areas" means the priorities
6 identified in Education Code section 52060 that apply for the grade levels served or the
7 nature of the program operated by the charter school.

8 (j) "Subgroup" means the numerically significant pupil subgroups identified pursuant
9 to Education Code section 52052.

10 (k) "to improve services" means to grow services in quality.

11 (l) "to increase services" means to grow services in quantity.

12 (m) "unduplicated pupil" means any of those pupils to whom one or more of the
13 definitions included in Education Code section 42238.01 apply, including pupils eligible
14 for free or reduced price meals, foster youth, and English learners.

15 NOTE: Authority cited: Sections 42238.07 and 52064, Education Code. Reference:
16 Sections 2574, 42238.01, 42238.02, 42238.07, 47606.5, 52052, 52060, 52061, 52062,
17 52063, 52064, 52066, 52067, 52068, 52069, 52070, 52070.5, and 64001, Education
18 Code; 20 U.S.C. Section 6312.

19
20 **§ 15496. Requirements for LEAs to Demonstrate Increased or Improved Services**
21 **for Unduplicated Pupils in Proportion to the Increase in Funds Apportioned for**
22 **Supplemental and Concentration Grants.**

23 (a) An LEA shall provide evidence in its LCAP to demonstrate how funding
24 apportioned on the basis of the number and concentration of unduplicated pupils,
25 pursuant to Education Code sections 2574, 2575, 42238.02, and 42238.03 is used to
26 support such pupils. This funding shall be used to increase or improve services for
27 unduplicated pupils as compared to the services provided to all pupils in proportion to
28 the increase in funds apportioned on the basis of the number and concentration of
29 unduplicated pupils as required by Education Code section 42238.07(a)(1). An LEA
30 shall include in its LCAP an explanation of how expenditures of such funding meet the
31 LEA's goals for its unduplicated pupils in the state priority areas. An LEA shall

determine the percentage by which services for unduplicated pupils must be increased or improved above services provided to all pupils in the fiscal year as follows:

(1) Estimate the amount of the LCFF target attributed to the supplemental and concentration grants for the LEA calculated pursuant to Education Code sections 42238.02 and 2574 in the fiscal year for which the LCAP is adopted.

(2) Estimate the amount of LCFF funds expended by the LEA on services for unduplicated pupils in the prior year that is in addition to what was expended on services provided for all pupils. The estimated amount of funds expended in 2013-14 shall be no less than the amount of Economic Impact Aid funds the LEA expended in the 2012-13 fiscal year.

(3) Subtract subdivision (a)(2) from subdivision (a)(1).

(4) Multiply the amount in subdivision (a)(3), by the most recent percentage calculated by the Department of Finance that represents how much of the statewide funding gap between current funding and full implementation of LCFF is eliminated in the fiscal year for which the LCAP is adopted.

(5) Add subdivision (a)(4) to subdivision (a)(2).

(6) Subtract subdivision (a)(5) from the LEA's total amount of LCFF funding pursuant to Education Code sections 42238.02 and 2574, as implemented by Education Code sections 42238.03 and 2575 respectively, excluding add-ons for the Targeted Instructional Improvement Grant program and the Home to School Transportation program, in the fiscal year for which the LCAP is adopted.

(7) Divide the amount in subdivision (a)(5) by the amount in subdivision (a)(6).

(8) If the calculation in subdivision (a)(3) yields a number less than or equal to zero or when LCFF is fully implemented statewide, then an LEA shall determine its percentage for purposes of this section by dividing the amount of the LCFF target attributed to the supplemental and concentration grant for the LEA calculated pursuant to Education Code sections 42238.02 and 2574 in the fiscal year for which the LCAP is adopted by the remainder of the LEA's LCFF funding, excluding add-ons for the Targeted Instructional Improvement Grant program and the Home to School Transportation program.

1 (b) This subdivision identifies the conditions under which an LEA may use funds
2 apportioned on the basis of the number and concentration of unduplicated pupils for
3 districtwide, schoolwide, countywide, or charterwide purposes: Pursuant to Education
4 Code section 42238.07(a)(2), an LEA may demonstrate it has increased or improved
5 services for unduplicated pupils under subdivision (a) of this section by using funds to
6 upgrade the entire educational program of a schoolsite, a school district, a charter
7 school, or a county office of education as follows:

8 (1) A school district that has an enrollment of unduplicated pupils of 55 percent or
9 more of the district's total enrollment in the fiscal year for which an LCAP is adopted or
10 in the prior year may expend supplemental and concentration grant funds on a
11 districtwide basis. A school district expending funds on a districtwide basis shall do all of
12 the following:

13 (A) Identify in the LCAP those services that are being funded and provided on a
14 districtwide basis.

15 (B) Describe in the LCAP how such services are principally directed towards, and
16 are effective in, meeting the district's goals for its unduplicated pupils in the state and
17 any local priority areas.

18 (2) A school district that has an enrollment of unduplicated pupils less than 55
19 percent of the district's total enrollment in the fiscal year for which an LCAP is adopted
20 may expend supplemental and concentration grant funds on a districtwide basis. A
21 school district expending funds on a districtwide basis shall do all of the following:

22 (A) Identify in the LCAP those services that are being funded and provided on a
23 districtwide basis.

24 (B) Describe in the LCAP how such services are principally directed towards, and
25 are effective in, meeting the district's goals for its unduplicated pupils in the state and
26 any local priority areas.

27 (C) Describe how these services are the most effective use of the funds to meet the
28 district's goals for its unduplicated pupils in the state and any local priority areas. The
29 description shall provide the basis for this determination, including, but not limited to,
30 any alternatives considered and any supporting research, experience, or educational
31 theory.

1 (3) A school district that has an enrollment of unduplicated pupils at a school that is
2 40 percent or more of the school's total enrollment in the fiscal year for which an LCAP
3 is adopted or in the prior year may expend supplemental and concentration grant funds
4 on a schoolwide basis. A school district expending funds on a schoolwide basis shall do
5 all of the following:

6 (A) Identify in the LCAP those services that are being funded and provided on a
7 schoolwide basis.

8 (B) Describe in the LCAP how such services are principally directed towards, and
9 are effective in, meeting the district's goals for its unduplicated pupils in the state and
10 any local priority areas.

11 (4) A school district that has an enrollment of unduplicated pupils that is less than 40
12 percent of the schoolsite's total enrollment in the fiscal year for which an LCAP is
13 adopted may expend supplemental and concentration grant funds on a schoolwide
14 basis. A school district expending funds on a schoolwide basis shall do all of the
15 following:

16 (A) Identify in the LCAP those services that are being funded and provided on a
17 schoolwide basis.

18 (B) Describe in the LCAP how such services are principally directed towards, and
19 are effective in, meeting the district's goals for its unduplicated pupils in the state and
20 any local priority areas.

21 (C) Describe how these services are the most effective use of the funds to meet the
22 district's goals for its unduplicated pupils in the state and any local priority areas. The
23 description shall provide the basis for this determination, including, but not limited to,
24 any alternatives considered and any supporting research, experience, or educational
25 theory.

26 (5) A county office of education expending supplemental and concentration grant
27 funds on a countywide basis or a charter school expending supplemental and
28 concentration grant funds on a charterwide basis shall do all of the following:

29 (A) Identify in the LCAP those services that are being funded and provided on a
30 countywide or charterwide basis.

(B) Describe in the LCAP how such services are principally directed towards, and are effective in, meeting the county office of education's or charter school's goals for its unduplicated pupils in the state and any local priority areas, as applicable.

NOTE: Authority cited: Sections 42238.07 and 52064, Education Code. Reference: Sections 2574, 2575, 42238.01, 42238.02, 42238.03, 42238.07, 47605, 47606.5, 52052, 52060, 52061, 52062, 52063, 52064, 52066, 52067, 52068, 52069, 52070, and 52070.5, Education Code; 20 U.S.C. Sections 6312 and 6314.

§ 15497. County Superintendent of Schools Oversight of Demonstration of Proportionality.

In making the determinations required under Education Code section 52070(d)(3), the county superintendent of schools shall include review of any descriptions of districtwide or schoolwide services provided pursuant to sections 15496(b)(1) through (b)(4) when determining whether the school district has fully demonstrated that it will increase or improve services for unduplicated pupils pursuant to section 15496(a). If a county superintendent of schools does not approve an LCAP because the school district has failed to meet its requirement to increase or improve services for unduplicated pupils as specified in this section, it shall provide technical assistance to the school district in meeting that requirement pursuant to Education Code section 52071.

NOTE: Authority cited: Sections 42238.07 and 52064, Education Code. Reference: Sections 2574, 42238.01, 42238.02, 42238.03, 42238.07, 52052, 52060, 52061, 52062, 52063, 52064, 52066, 52067, 52068, 52069, 52070, and 52070.5, Education Code.

California Code, Education Code Section 42131

(a)(1) Pursuant to the reports required by Section 42130, the governing board of each school district shall certify, in writing, within 45 days after the close of the period being reported, whether the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent fiscal year. These certifications shall be based upon the governing board of the school district's assessment, on the basis of standards and criteria for fiscal stability adopted by the state board pursuant to Section 33127, of the school district budget, as revised to reflect current information regarding the adopted State Budget, school district property tax revenues pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code, and ending balances for the preceding fiscal year as reported pursuant to Section 42100. The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent for purposes of determining subsequent actions by the Superintendent, the Controller, or the county superintendent of schools, pursuant to subdivisions (b) and (c). These certifications shall be based upon the financial and budgetary reports required by Section 42130 but may include additional financial information known by the governing board of the school district to exist at the time of each certification. For purposes of this subdivision, a negative certification shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A positive certification shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

(2)(A) A copy of each certification and a copy of the report submitted to the governing board of the school district pursuant to Section 42130 shall be filed with the county superintendent of schools. If a county office of education receives a positive certification when it determines a negative or qualified certification should have been filed, or receives a qualified certification when it determines a negative certification should have been filed, the county superintendent of schools shall change the certification to negative or qualified, as appropriate, and, no later than 75 days after the close of the period being reported, shall provide notice of that action to the governing board of the school district and to the Superintendent. No later than five days after a school district receives notice from the county superintendent of schools of a change in the school district's certification to negative or qualified, the governing board of the school district may submit an appeal to the Superintendent regarding the validity of that change, in accordance with the criteria applied to those designations pursuant to this subdivision. No later than 10 days after receiving that appeal, the Superintendent shall determine the certification to be assigned to the school district and shall notify the governing board of the school district and the county superintendent of schools of that determination.

(B) Copies of any certification in which the governing board of the school district is unable to certify unqualifiedly that these financial obligations will be met and a copy of the report submitted to the governing board of the school district pursuant to Section 42130 shall be sent by the county office of education to the Controller and the Superintendent at the time of the certification, together with a completed transmittal form provided by the Superintendent. Within

75 days after the close of the reporting period on all school district certifications that are classified as qualified or negative pursuant to this section, the appropriate county superintendent of schools shall submit to the Superintendent and the Controller his or her comments on those certifications and report any action proposed or taken pursuant to subdivision (b).

(3) All reports and certifications required under this subdivision shall be in a format or on forms prescribed by the Superintendent and shall be based on standards and criteria for fiscal stability adopted by the state board pursuant to Section 33127.

(4) This subdivision does not preclude the submission of additional budgetary or financial reports by the county superintendent of schools to the governing board of the school district, or to the Superintendent.

(b) As to any school district having a negative or qualified certification, the county superintendent of schools shall exercise his or her authority, as necessary, pursuant to Section 42127.6.

(c) Within 75 days after the close of each reporting period, each county superintendent of schools shall report to the Controller and the Superintendent as to whether the governing board of each of the school districts under his or her jurisdiction has submitted the certification required by subdivision (a). That report shall account for all school districts under the jurisdiction of the county office of education and indicate the type of certification filed by each school district.

(d) The Controller's office may conduct an audit or review of the fiscal condition of any school district having a negative or qualified certification.

(e) The governing board of each school district filing a qualified or negative certification for the second report required under Section 42130, or classified as qualified or negative by the county superintendent of schools, shall provide to the county superintendent of schools, the Controller, and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. The governing boards of all other school districts are encouraged to develop a similar financial statement for use in developing the beginning fund balances of the school district for the ensuing fiscal year.

(f) Any school district for which the county board of education serves as the governing board of the school district is not subject to subdivisions (a) to (f), inclusive, but is governed instead by the interim report, monitoring, and review procedures set forth in subdivision (l) of Section 1240 and in Article 2 (commencing with Section 1620) of Chapter 5 of Part 2.

SIGNATURE PAGE

Association Panel Member
Concur X Dissent

 N/A Attached Statement

District Panel Member
Concur Dissent

 Attached Statement



Laura Schultz
Regional Uniserv Staff
Negotiations Specialist
Ca. Teachers Association

Ron Bennett
CEO
School Services of California INC.

Panel Chair

John G. Moseley
Factfinder

APPENDIX A – Supporting Documents

page #

- 15 - 16. District Facts – Summary of District Facts (CUSD)
- 17-19. Second Interim – District Certification of Interim Report for Fiscal Year 2016-2017 (CUSD)
- 20. BEN – Budget Essentials for Negotiations (CUEA/CTA)
- 21. District Financial Ability – District Revenue Increases (CUEA/CTA)
- 22. CUEA & CUSD 2014-15 Agreement (CUEA/CTA)
- 23. Article 10.5 – Summary of Arguments (CUSD)
- 24. Calaveras USD’s Analysis of Retirements vs New Hires (CUSD)
- 25. District Facts – Fact 9 (CUSD)
- 26 – 29. Article 10 Compensation (CUSD) and Compensation Comparability (CUEA/CTA)

APPENDIX B – Issues Defined

- 30-38. Calaveras USD Issues for Factfinding Summary of District and Association Positions (CUSD/CUEA/CTA)

DISTRICT FACTS

Summary of District Facts

- Fact 1: The cost of 1% for the Association is \$120,478. This includes statutory benefits. The cost of a 1% increase for all employee groups, including the Association is \$223,126.
- Fact 2: The cost of step and column for the Association is \$240,956. The cost of step and column for the all employee groups, including the Association is \$450,647.
- Fact 3: Ongoing salary and benefit settlements alone have far exceeded the state funded cost-of-living adjustment (COLA).
- Fact 4: Historically, ongoing salary and benefit settlements provided to District teachers alone have exceeded the state Consumer Price Index (CPI).
- Fact 5: The District has a contractual "me too" clause for salary and benefits with its classified unit (CNFA).
- Fact 6: The District has a historical practice of providing like compensation increases to non-represented employees. The District has not yet been able to implement that like compensation beginning with the 2014-15 fiscal year.
- Fact 7: The Local Control Funding Formula (LCFF), implemented in 2013, allocates the majority of funding for California schools through base grants, supplemental grants, and concentration grants.
- Fact 8: Concurrent with the passage of the laws specifying the LCFF, the state enacted laws requiring districts to prepare a Local Control and Accountability Plan (LCAP) and the District's LCAP directs the expenditure of supplemental and concentration grant funds.
- Fact 9: The District has experienced an enrollment decline of almost 10% from 2011 to 2016.
- Fact 10: The District's student enrollment per classroom teacher is 20.52, which is lower than the comparative group and all unified school districts.
- Fact 11: The District's 2016-17 Second Interim Report multiyear projection reflects a significant structural deficit.
- Fact 12: As of the 2016-17 Second Interim Report, the District has a qualified certification, which means the District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

DISTRICT FACTS

- Fact 13:** The District would have a negative certification at the Second Interim reporting period if it included the financial impact of the Association's proposal.
- Fact 14:** Due to declining enrollment and a structural deficit, the District is making budget reductions.
- Fact 15:** The state has implemented a significant increase in school district contribution rates to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) that will have a significant negative financial impact on the District as its contributions will increase to more than double current rates.
- Fact 16:** The General Fund revenue is significantly lower than all unified districts and the comparative group.
- Fact 17:** 86% of the District unrestricted expenditures are for salaries and benefits. The percentage will continue to grow as enrollment declines.
- Fact 18:** Services required to educate students with special needs are not fully funded by the state and federal government. The District contributes \$1,413.84 per ADA from the General Fund to make the program whole.
- Fact 19:** The District has financial obligations for other postemployment benefits (OPEB) and its unfunded liability is estimated to be more than \$7.75 million.
- Fact 20:** The District provides the highest contribution to retiree medical benefits among the comparative group.
- Fact 21:** Current law requires that unified school districts spend at least 55% of their General Fund on classroom expenditures; at 62.32%, the District far exceeds the 55% requirement.
- Fact 22:** The District is unique in that its territory covers 235 square miles and serves a K-12 enrollment of 2,996 in ten schools.
- Fact 23:** On average, teachers employed in the District stay with the District for more than 14 years, longer than most of the comparative districts, illustrating their satisfaction with the working environment.
- Fact 24:** Between 2007-08 and 2012-13, during the worst of the recession, no District employee lost any compensation due to concessions or furloughs.

NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was based upon and reviewed using the state-adopted Criteria and Standards (Pursuant to Education Code (EC) sections 33129 and 42130)

Signed: _____
District Superintendent or Designee

Date: 3/8/17

NOTICE OF INTERIM REVIEW. All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report and certification of financial condition are hereby filed by the governing board of the school district. (Pursuant to EC Section 42131)

Meeting Date: March 14, 2017

Signed: Yvonne Bousquet
President of the Governing Board

CERTIFICATION OF FINANCIAL CONDITION

POSITIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

☒ QUALIFIED CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

NEGATIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

Contact person for additional information on the interim report:

Name: Kassandra Booth

Telephone: (209) 872-3419

Title: Director of Fiscal Services

E-mail: kbooth@calaveras.k12.ca.us

Criteria and Standards Review Summary

The following summary is automatically completed based on data provided in the Criteria and Standards Review form (Form 01CSI). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern, which could affect the interim report certification, and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	

Kathy Northington
County Superintendent of Schools



185 South Main Street
P.O. Box 760
Angels Camp, CA 95221
209.736.4662
Fax 209.736.2138
ccoe@ccoe.k12.ca.us

Calaveras County Office of Education

April 9, 2017

Karan Bowsher, President
Board of Trustees
Calaveras Unified School District
PO Box 896
San Andreas, CA 95249

Dear Ms. Bowsher:

In compliance with the provisions of Education Code 42130 et seq., our office has completed its review of the 2016-17 Second Interim budget adopted by the Board. Our office has reviewed the data submitted, including the Criteria and Standards for your district, and **agrees with the qualified certification** finding approved by the District Governing Board.

2016-17 2nd Interim Review

As required by Education Code, our office performs a review of the Second Interim data submitted to our office. Per E.C. 42131, the District Governing Board makes a finding of positive, qualified or negative.

"A negative certification shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year, or the subsequent fiscal year. A qualified certification shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current year, or two subsequent fiscal years. A positive certification shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and two subsequent fiscal years."

"These certifications shall be based upon the financial and budgetary reports required by Section 42130 but may include additional financial information known by the governing board to exist at the time of certification."

The County Office reviews the data submitted and performs additional testing of the data as deemed necessary. This review covers the 2016-17 Second Interim budget as well as projections for 2017-18 and 2018-19.

Based upon our review, we make note of the following:

- The District's budget reflects reserve balances of 3.87% by the year ended June 30, 2019. To achieve this, the budget projections reflect the reduction of 4 certificated staff, 1 classified District office position, elimination of the District's cosmetology program, and reductions to both maintenance and transportation. These reductions will allow the District to maintain the required reserves through the current projection period, but still reflects deficit spending of over \$1 million dollars per year. Given on-going expenditure increases, particularly those associated with PERS

and STRS, it is evident that further reductions will be necessary in future years for the District to achieve fiscal health.

As the district continues to be in qualified status this letter is also a reminder of the statutory requirements for collective bargaining public disclosure and debt issuance for school districts with qualified or negative interim report certifications. These requirements are specifically addressed by the following code sections:

Collective Bargaining Public Disclosure: *Government Code 3540.2 (a) A school district that has a qualified or negative certification pursuant to Section 42131 of the Education Code shall allow the county office of education in which the school district is located at least 10 working days to review and comment on any proposed agreement made between the exclusive representative and the public school employer, or designated representatives of the employer, pursuant to this chapter. The school district shall provide the county superintendent of schools with all information relevant to yield an understanding of the financial impact of that agreement.*

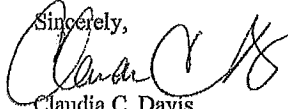
Debt issuance: *Education Code Sections 42133(a) A school district that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds, or any other debt instruments that do not require the approval of the voters of the district, nor may the district cause an information report regarding the debt instrument to be submitted pursuant to subdivision (e) of Section 149 of Title 26 of the United States Code, unless the county superintendent of schools determines, pursuant to criteria established by the Superintendent of Public Instruction, that the district's repayment of that indebtedness is probable. A school district is deemed to have a qualified or negative certification for purposes of this subdivision if, pursuant to this article, it files that certification or the county superintendent of schools classifies the certification for that fiscal year to be qualified or negative*

Summary Statement

Pursuant to the provisions of Education Code Section 1240(e), the County Superintendent is required to present an annual report to a school district's governing board and the Superintendent of Public Instruction regarding the fiscal solvency of any school district with a disapproved budget, a qualified or negative interim certification, or that has been determined at any time during the year to be in a position of fiscal uncertainty pursuant to EC Section 42127.6. This report will be issued in June, 2017.

Our office recognizes the continued challenge the Board and Administration face as you evaluate program offerings given budgetary constraints. We will continue to provide Calaveras Unified School District with the additional support it needs and are happy to answer any questions you may have regarding our oversight responsibilities and review process.

Sincerely,



Claudia C. Davis

Associate Superintendent/Business Services

cc: Kathy Northington, Calaveras County Superintendent of Schools
Mark Campbell, CUSD Superintendent
Kassandra Booth, CUSD Director of Fiscal Services

BEN – Budget Essentials for Negotiations

Copy of CUEA BEN 2nd Interim_with additional charts.xlsm

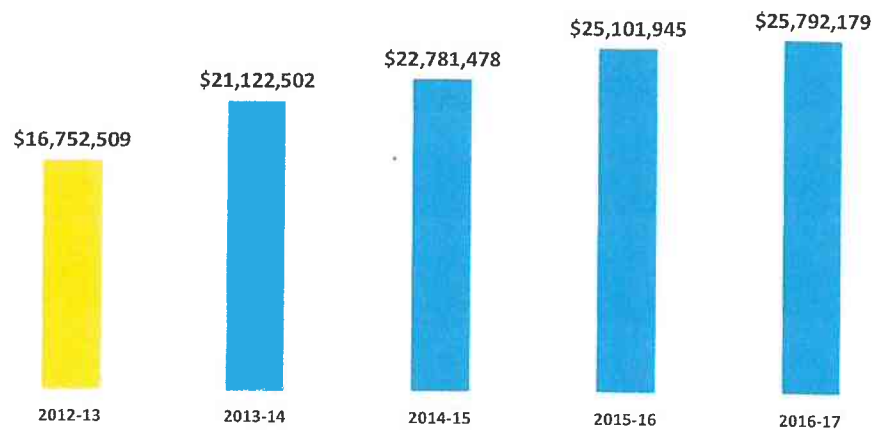
	A	B	C	D	E	F	H
42	CTA DISTRICT FINANCIAL PROFILE			GF & RESERVES TOTALS		<i>Calaveras Unified, Calaveras</i>	
43	YEAR:	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 Budget
86	END BALANCES						
87	ENDING BALANCE	\$5,095,389	\$7,060,218	\$4,856,432	\$3,683,666	\$5,038,541	\$5,424,642
88	% of Total Outgo	19.13%	27.42%	17.92%	13.75%	17.16%	18.71%
89	Restricted End Bal	\$1,718,215	\$1,641,269	\$1,924,720	\$589,095	\$923,058	\$923,058
90	% of Total Outgo	6.45%	6.37%	7.13%	2.20%	3.14%	3.18%
91	Budgeted Reserve	\$1,485,619	\$3,778,722	\$2,614,740		\$876,000	\$870,000
92	Budgeted Reserve %	5.58%	14.67%	9.65%		2.98%	3.00%
93	Reserve Standard	\$799,037	\$772,501	\$812,894	\$803,641	\$880,812	\$869,649
94	Reserve for EU %	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
95	Unrestricted Fund 01 RESERVE	\$3,377,174	\$5,418,929	\$2,931,712	\$3,094,601	\$4,115,483	\$4,501,584
96	% of Total Outgo	12.68%	21.04%	10.82%	11.55%	14.02%	15.53%
97	UnR Fund 01 EB o/u REU	\$2,578,137	\$4,646,428	\$2,118,819	\$2,290,960	\$3,234,672	\$3,631,934
98	UnR Fund 01 EB o/u REU/ADA	\$820	\$1,523	\$709	\$782	\$1,138	\$1,309
99	UnR Fund 01 EB o/u REU%	9.68%	18.04%	7.82%	8.55%	11.02%	12.53%
100	FUND 17:						
101	Fund 17 RESERVE	\$2,488,785					
102	% of Total Outgo	9.34%					
103	TOTAL Unrestricted Funds 01/17 RESERVES	\$5,865,959	\$5,418,929	\$2,931,712	\$3,094,601	\$4,115,483	\$4,501,584
104	% of Total Outgo	22.02%	21.04%	10.82%	11.55%	14.02%	15.53%
105	TOTAL Unrestricted Funds 01/17 Ending Balance o/u REU	\$5,066,922	\$4,646,428	\$2,118,819	\$2,290,960	\$3,234,672	\$3,631,934
106	% of Total Outgo	19.02%	18.04%	7.82%	8.55%	11.02%	12.53%

10-17

District Revenue Increases

For the 2015-16 year, Local Control Funding Formula (LCFF) revenue for Calaveras Unified School District totaled more than \$25.1 million, an increase of nearly \$2.3 million – or just more than 10% – over the 2014/15 school year. For the 2016-17 year, LCFF revenue is projected to total more than \$25.8 million, an increase of approximately \$700,000 over the 2015-16 school year. From the last year of the former Revenue Limit funding system, 2012-13, to the current year under LCFF, revenue from the state to the District has increased \$9,039,670, or 60%.

District LCFF/Revenue Limit Funding



LCFF revenue is unrestricted and on-going funding.

In addition to the \$9 million increase in on-going LCFF revenues over the past four years, the District has also received one-time discretionary funding from the state amounting to \$530 per Average Daily Attendance for 2015-16 and \$214 per ADA for 2016-17.

Source(s): SACS Unaudited Actual Budget Report for CUSD for 2012-13 and most current versions of the LCFF Funding Snapshot from the California Department of Education for 2013-14, 2014-15, 2015-16 and 2016-17.

CUEA & CUSD 2014-15 AGREEMENT

10.5. Additional Compensation

Following the Governor's May revision of the State Budget (May) or the District's Second Interim Report (May), and once the District can confirm the amount of additional unrestricted ongoing revenue limit monies received by the State, the District would allocate 50% of those dollars to teacher compensation. This allocation would be made available to C.U.E.A. effective July 1 of the new school year (i.e. any additional money received during the school year would be allocated to C.U.E.A. effective the following school year.) Should the district receive any new unrestricted one-time revenue from the State, C.U.E.A. would be allocated 50% of those dollars as a one-time compensation package.

10.6. Substituting for unit members

10.6.1. Unit members will be eligible to substitute for the District.

10.6.2. Unit members will be paid at the senior sub rate.

10.6.3. It is the unit member's responsibility to notify the District sub coordinator of the dates they are available.

ARTICLE XI

11. WORKING CONDITIONS

11.1. Work Days and Hours

11.1.1. Classroom teachers will not be required to work in excess of 185 days with the exception of new teachers. New teachers will be required to attend a one-day orientation outside of the 185 days with no additional compensation. Of those 185 days, two shall be for site-based teacher directed classroom preparation and three days will be for professional staff development. For the 2014-15 school year only, there will be five additional CORE days for a total of eight CORE days. Five of the eight CORE days will be site-directed and collaboratively designed by administrators and teachers.

11.1.2. Each bargaining unit member will be expected to attend Back to School Night, Open House, and Parent Teacher Conferences. In addition to the above duties, each bargaining unit member will donate seven (7) hours of adjunct duty time per year. Such duties could include: CST meetings, IEP meetings, extended staff meetings, and other school related committees or programs. Staff meeting time will be considered extended when it exceeds two hours of outside contract time per month.

11.1.3. Unit member duties that exceed the number of hours specified above shall require that the unit member be compensated for such additional hours at the rate of pay delineated in the Certificated Hourly Salary Schedule (Appendix A-5).

11.1.4. Any unit member requested to work outside of his/her contracted days shall be compensated.

Article 10.5 - Summary of Arguments

1. This article was added at a time when the State had been allocating additional revenue to school districts after the district and the association had completed bargaining for the year (after May Revise). The intent of the article was to ensure the association was given a portion of the new funds that they did not have the opportunity to bargain for. The district's proposal would guarantee the association an opportunity to bargain for new unrestricted funds regardless of when the State allocates these funds to the school district. In fact, the district's proposal expands the opportunity for the association to bargain for proposed new unrestricted funds after a TA is reached, even if the allocation is prior to the May Revise.
2. Since the district's proposal guarantees an opportunity for the association to bargain for all unrestricted allocations, there is no need in the contract for an automatic distribution in lieu of those bargaining opportunities.
3. This article refers to "Revenue Limit" which is an outdated funding model for school districts. The Local Control Funding Formula (LCFF) is not equivalent to Revenue Limit because it encompasses a wider range of funds, including some which were restricted under Revenue Limit. Furthermore, under the new regulations, school districts must prepare a Local Control and Accountability plan which directs the expenditures of the district's funds. See the District's Facts 7 & 8.

Calaveras USD's Analysis of Retirements vs New Hires

Notes	Retiree	Hire Date	Salary	10.3 - 1 Yr Final Comp.*	Retirement Benefits*	Salary minus retiree costs	New Hires	1st Yr Attrition
CTE	Juanita (Jan) Smith	7/24/1994	50,975		11,667	39,308	50,975	(11,667)
Replaced with VP	Ingrid Hjelmervik	8/24/1990						
	Janice Riggio	7/29/1998	76,248	25,000	7,440	43,808	48,600	(4,792)
	Julie Satterfield	8/21/1989	83,921		11,667	72,254	48,600	23,654
	Maria Frederick	7/26/2002	83,921	25,000	5,580	53,341	48,600	4,741
	Valerie Conrado	7/25/2003	57,081	25,000	8,370	23,711	48,600	(24,889)
0.5 FTE	Dan Stoddard	8/24/1992	41,100		5,385	35,715	24,300	11,415
	Annette Kautzer	1/6/1997	82,199		5,580	76,619	48,600	28,019
Federally Funded	Eileen Thorpe (TOSA)	4/1/1998	-		5,580	(5,580)	-	(5,580)
	TOTALS		\$475,444	\$75,000	\$61,269	\$339,175	\$318,275	\$20,900

*estimates

2016/17 New Hires	Salary
Estakhri	43,890
Floyd	57,081
Gaulden	46,871
Godman	65,093
Pellini	35,615
Pogue	67,268
Orlopp	43,890
Robitaille	41,100
Teeter	35,615
Maddock	57,081
Homan	41,100
Average of New Hires	\$48,600

Temp Hires	Salary
McCurdy	42,472
Nattkemper	46,871
Hoffman	57,081
Williams	35,615
Kuntz	35,615

CTE New Hire	
Garrahan	50,975

DISTRICT FACTS

Fact 9: The District has experienced an enrollment decline of almost 10% from 2011 to 2016.

Total ADA By Fiscal Year with Percentage Change						
District	% Change in ADA 2011-12 to 2015-16	Total ADA				
		2011	2012	2013	2014	2015
Lake Tahoe Unified	3.84%	3,592	3,548	3,579	3,628	3,730
Del Norte County Unified	0.77%	3,290	3,095	3,343	3,259	3,315
Eureka City Unified	-1.19%	3,577	3,451	3,522	3,508	3,534
All Unified Districts	-2.17%	3,964,299	3,924,678	3,930,573	3,907,788	3,878,294
Amador County Unified	-3.05%	3,740	3,658	3,463	3,663	3,626
Comparative Group	-4.75%	29,171	28,229	28,090	27,891	27,785
Paradise Unified	-4.98%	3,385	3,299	3,297	3,302	3,217
Dixon Unified	-7.28%	3,407	3,355	3,247	3,209	3,159
Mariposa County Unified	-7.54%	1,778	1,611	1,576	1,566	1,644
Calaveras Unified	-9.57%	3,143	3,051	2,989	2,928	2,842
Rim Of The World Unified	-12.68%	3,856	3,750	3,650	3,465	3,367
Bear Valley Unified	-13.86%	2,546	2,464	2,414	2,293	2,193

Source: 2015-16 State-Certified Reports: J-90, CBEDS, SACS

ARTICLE 10 COMPENSATION

Total Compensation: Salary Paid for BA+30, Step 1 Plus Average District Contribution for Health and Welfare Benefits, 2015-16			
District Name	Total Compensation	Salary Paid for BA+30, Step 1	Average Health and Welfare Benefit Contribution
Rim Of The World Unified	\$58,249	\$42,684	\$15,565
Bear Valley Unified	\$56,899	\$49,435	\$7,464
Lake Tahoe Unified	\$55,318	\$46,086	\$9,232
Dixon Unified	\$53,999	\$44,553	\$9,446
Eureka City Unified	\$53,564	\$39,975	\$13,589
Mariposa County Unified	\$53,142	\$39,982	\$13,160
Amador County Unified	\$52,619	\$43,569	\$9,050
Del Norte County Unified	\$51,888	\$42,850	\$9,038
Calaveras Unified	\$51,221	\$41,100	\$10,121
Paradise Unified	\$48,760	\$38,000	\$10,760

Source: 2015-16 State-Certified Reports: J-90, CBEDS, SACS

District Teachers Rank at the Bottom BA+30, Step 1

The District ranks last in salaries for beginning teachers, equal to \$4,125 below average.

District	BA+30, Step 1	Rank
Bret Harte Union High School	\$51,878	1
Lincoln Unified ≤	\$48,024	2
Vallecito Union	\$47,511	3
Amador County Unified	\$45,312	4
Linden Unified ≤	\$44,986	5
Elk Grove Unified	\$44,635	6
Galt Union Elementary ≤	\$44,075	7
Mark Twain Union Elementary* ≤	\$42,673	8
Lodi Unified ≤	\$42,056	9
Calaveras Unified ≤	\$41,100	10
Array Average	\$45,225	
CUSD Var from Average	\$4,125	

Source(s): See attached salary schedules. An asterisk* notes that BA+24 instead of BA+30 had to be used. A less-than symbol (≤) notes that a district's 2016-17 salary schedule has not yet been negotiated.

ARTICLE 10 COMPENSATION

Total Compensation: Maximum Scheduled Salary Plus Average District Contribution for Health and Welfare Benefits, 2015-16			
District Name	Total Compensation	Maximum Scheduled Salary	Average Health and Welfare Benefit Contribution
Paradise Unified	\$109,372	\$98,612	\$10,760
Lake Tahoe Unified	\$107,377	\$98,145	\$9,232
Rim Of The World Unified	\$104,772	\$89,207	\$15,565
Bear Valley Unified	\$100,301	\$92,837	\$7,464
Dixon Unified	\$93,108	\$83,662	\$9,446
Calaveras Unified	\$92,320	\$82,199	\$10,121
Amador County Unified	\$91,762	\$82,712	\$9,050
Del Norte County Unified	\$88,744	\$79,706	\$9,038
Eureka City Unified	\$87,099	\$73,510	\$13,589
Mariposa County Unified	\$86,039	\$72,879	\$13,160

Source: 2015-16 State-Certified Reports: J-90, CBEDS, SACS

Total Compensation: Salary Paid for BA+60, Step 10 Plus Average District Contribution for Health and Welfare Benefits, 2015-16			
District Name	Total Compensation	Salary Paid for BA+60, Step 10	Average Health and Welfare Benefit Contribution
Rim Of The World Unified	\$84,163	\$68,598	\$15,565
Bear Valley Unified	\$80,421	\$72,957	\$7,464
Lake Tahoe Unified	\$79,658	\$70,426	\$9,232
Del Norte County Unified	\$74,024	\$64,986	\$9,038
Dixon Unified	\$72,256	\$62,810	\$9,446
Amador County Unified	\$71,841	\$62,791	\$9,050
Eureka City Unified	\$69,401	\$55,812	\$13,589
Mariposa County Unified	\$69,365	\$56,205	\$13,160
Calaveras Unified	\$67,202	\$57,081	\$10,121
Paradise Unified	\$66,824	\$56,064	\$10,760

Source: 2015-16 State-Certified Reports: J-90, CBEDS, SACS

Compensation Comparability

District Teachers Rank at the Bottom

BA+60, Step 10

The District ranks last in salaries for teachers at BA+60, Step 10, equal to \$8,522 below average.

District	BA+60, Step 10	Rank
Bret Harte Union High School	\$76,693	1
Galt Union Elementary ≤	\$67,851	2
Lincoln Unified ≤	\$67,580	3
Elk Grove Unified	\$66,187	4
Amador County Unified	\$65,303	5
Lodi Unified ≤	\$64,791	6
Mark Twain Union Elementary ≤	\$64,455	7
Vallecito Union	\$63,236	8
Linden Unified ≤	\$62,851	9
Calaveras Unified ≤	\$57,081	10
Array Average	\$65,603	
CUSD Var from Average	\$8,522	

Source(s): See attached salary schedules. A less-than symbol (≤) notes that a district's 2016-17 salary schedule has not yet been negotiated.

APPENDIX B – Issues Defined

CALAVERAS UNIFIED SCHOOL DISTRICT ISSUES FOR FACTFINDING SUMMARY OF DISTRICT AND ASSOCIATION POSITION

ISSUE	DISTRICT POSITION	ASSOCIATION POSITION
Article 7: Class Size	<p><u>General Education Classes</u></p> <p>The class size limits for General Education students shall be:</p> <p>TK and Kindergarten: 30 students Grades 1-3: 30 students Grades 4-6: 30 students Grades 7-12: 180 student contacts per day (exceptions in 7.2)</p> <p><u>Special Education Classes</u></p> <p>The class size limits for Special Education classes are:</p> <p>Medically Fragile Severely Handicapped SDC: 10 students SH/ED/SDC SH SDC: 13 students Non-SH SDC: 15 students Combination SDC/RSP: 6 SDC/14 RSP, (20 total maximum) RSP: 28 students (maximum 28)</p> <p><u>Article 7.1:</u> Notwithstanding the foregoing limits, pupils shall not be placed in any classroom in larger numbers than the capacity of the teaching facility or basic work stations. A basic workstation is defined as an assigned location where a student normally spends the majority of class time performing the operational functions necessary to meet the performance objectives and goals of the course.</p> <p><u>Article 7.2:</u> Exceptions to class size maximums will be physical education, band, orchestra, choir, and possibly other classes.</p> <p><u>Article 7.4:</u> When class size exceeds the stated contractual limits above, the following procedure for overage payment shall be enacted:</p> <p>Class size/student contacts is based upon quarterly average enrollment.</p>	<p><u>General Education Classes</u></p> <p>The class size limits for General Education students shall be:</p> <p>TK and Kindergarten: 24 students. Grades 1-3: 24 students Grades 4-6: 30 students Grades 7-12: 180 student contacts per day (exceptions in 7.2)</p> <p><u>Special Education Classes</u></p> <p>The class size limits for Special Education classes are:</p> <p>Medically Fragile Severely Handicapped SDC: 10 students SH/ED/SDC SH SDC: 13 students Non-SH SDC: 15 students Combination SDC/RSP: 6 SDC/14 RSP, (20 total maximum) RSP: 28 students (maximum 28)</p> <p><u>Article 7.1:</u> Notwithstanding the foregoing limits, pupils shall not be placed in any classroom in larger numbers than the capacity of the teaching facility or basic work stations. A basic workstation is defined as an assigned location where a student normally spends the majority of class time performing the operational functions necessary to meet the performance objectives and goals of the course.</p> <p><u>Article 7.2:</u> Exceptions to class size maximums will be physical education, band, orchestra, choir, and possibly other classes.</p> <p><u>Article 7.4:</u> When class size exceeds the stated contractual limits above, the following procedure for overage payment shall be enacted:</p> <p>Class size/student contacts is based upon quarterly average enrollment.</p>

CALAVERAS UNIFIED SCHOOL DISTRICT ISSUES FOR FACTFINDING
SUMMARY OF DISTRICT AND ASSOCIATION POSITION

ISSUE	DISTRICT POSITION	ASSOCIATION POSITION
	<p>Teacher must submit a notice of intent to file a request for an overage payment within 10 school days of a class exceeding the class size maximum. The teacher need only file one notice of intent per school year.</p> <p>The District will inform those teachers that need to submit a timesheet at the end of each quarter as applicable.</p> <p>OVERAGE PAY BANDS: (Based on the applicable <u>Hourly</u> CUEA Certificated Salary Schedule)</p> <p><u>Elementary class size</u></p> <p>1-2 students over maximum: 15 hours per quarter</p> <p>3-4 students over maximum: 25 hours per quarter</p> <p>5-6 students over maximum: 35 hours per quarter</p> <p>7-8 students over maximum: 45 hours per quarter</p> <p>>8 students over maximum: 55 hours per quarter</p> <p><u>Secondary student contacts</u></p> <p>1-5 students over maximum: 10 hours per quarter</p> <p>6-10 students over maximum: 20 hours per quarter</p> <p>11-15 students over maximum: 30 hours per quarter</p> <p>16-20 students over maximum: 40 hours per quarter</p> <p>21-25 students over maximum: 50 hours per quarter</p> <p>>25 students over maximum: 60 hours per quarter</p>	<p>Téacher must submit a notice of intent to file a request for an overage payment within 10 school days of a class exceeding the class size maximum. The teacher need only file one notice of intent per school year.</p> <p>The District will inform those teachers that need to submit a timesheet at the end of each quarter as applicable.</p> <p>OVERAGE PAY BANDS: (Based on the applicable CUEA Certificated Salary Schedule)</p> <p><u>Elementary class size</u></p> <p>1-2 students over maximum: 15 hours per quarter</p> <p>3-4 students over maximum: 25 hours per quarter</p> <p>5-6 students over maximum: 35 hours per quarter</p> <p>7-8 students over maximum: 45 hours per quarter</p> <p>>8 students over maximum: 55 hours per quarter</p> <p><u>Secondary student contacts</u></p> <p>1-5 students over maximum: 10 hours per quarter</p> <p>6-10 students over maximum: 20 hours per quarter</p> <p>11-15 students over maximum: 30 hours per quarter</p> <p>16-20 students over maximum: 40 hours per quarter</p> <p>21-25 students over maximum: 50 hours per quarter</p> <p>>25 students over maximum: 60 hours per quarter</p>

CALAVERAS UNIFIED SCHOOL DISTRICT ISSUES FOR FACTFINDING
SUMMARY OF DISTRICT AND ASSOCIATION POSITION

ISSUE	DISTRICT POSITION	ASSOCIATION POSITION
Article 10: Compensation	<u>Medical Cap</u> <ul style="list-style-type: none"> • Status quo <u>Salary Schedule</u> <ul style="list-style-type: none"> • Status quo <u>Stipends</u> <ul style="list-style-type: none"> • Status quo <u>Intern Rate</u> <ul style="list-style-type: none"> • Status quo 	<u>Medical Cap</u> <ul style="list-style-type: none"> • \$100/month medical cap increase <u>Salary Schedule</u> <ul style="list-style-type: none"> • 9.5% ongoing salary schedule increase <u>Stipends</u> <ul style="list-style-type: none"> • Elementary Band Stipend from Group 4 to Group 3 • New National Board Certification stipend at Group 3 • New Special Education stipend at Group 2 <u>Intern Rate</u> <ul style="list-style-type: none"> • Eliminate Intern Rate and place intern credentials on Step 1, Column I at 100% of Salary
Article 10.2.8 Compensation for Additional Students (New Article)	<u>Compensation for additional students</u> <ul style="list-style-type: none"> • No changes to Article 10 	<u>Compensation for additional students</u> <ul style="list-style-type: none"> • Elementary Unit members asked to substitute for an absent unit member during the work day, shall be compensated at their certificated hourly rate for every hour those students are in their class.
Article 10.5	<u>Additional Compensation</u> <ul style="list-style-type: none"> • Replace existing language with the following: <p>Following the approval of a TA, if an additional unrestricted state allocation is provided to the District for a year covered by the TA, the District agrees to automatically re-open salary and benefit negotiations.</p>	<u>Additional Compensation</u> <ul style="list-style-type: none"> • Revise existing language to the following: <p>Following the Governor's May revision of the State Budget (May) or the District's Second Interim Report (May), and once the District can confirm the amount of additional unrestricted ongoing LCFF monies received by the State, the District would allocate 50% of those dollars to teacher compensation. This allocation would be made available to CUEA effective July 1 of the new school year (i.e. any additional money received during the school year would be allocated to CUEA effective the following school year.) Should the district receive any new unrestricted one time revenue from the State, CUEA would be allocated 50% of those dollars as a one-time compensation package.</p>

CALAVERAS UNIFIED SCHOOL DISTRICT ISSUES FOR FACTFINDING
SUMMARY OF DISTRICT AND ASSOCIATION POSITION

ISSUE	DISTRICT POSITION	ASSOCIATION POSITION
Article 11: Working Conditions	<u>School Closures due to Natural disasters:</u> The District proposes to work with the Policy Committee to develop a board policy which will address this issue for all employees.	<u>School Closures due to Natural disasters:</u> No bargaining unit member shall lose any compensation or earned leave time due to a school closure by either natural disaster or administrative decision.
<u>Article 11.1.4 Professional Development:</u>	Any bargaining unit member who presents for a District staff development opportunity shall be compensated up to three hours' preparation time, based upon the Certificated Hourly Salary Schedule, for every one hour of staff development presentation. TOSA's shall not be eligible for additional compensation for presentations.	Any bargaining unit member who presents for a District staff development opportunity shall be compensated up to three hours' preparation time, based upon the Certificated Hourly Salary Schedule, for every one hour of staff development presentation. TOSA's shall not be eligible for additional compensation for presentations.
<u>Article 11.2 Kindergarten assignments</u>	CUSD proposes deleting section 11.2 from the CBA.	Notwithstanding the length of the school day, all kindergarten assignments should be one FTE.
School Site Safety (New Article)	The district proposed the association shall appoint three (3) representatives to the District Safety Committee established to implement the provisions of Labor Code 6401.7. Association representatives shall receive release time or their hourly rate of pay for committee work. Copies of the plan will be distributed to each bargaining unit member and additional copies will be provided to the Association upon request.	<ul style="list-style-type: none"> 1.1.1.1 The Association shall appoint _____ representatives to the District Safety Committee established to implement the provision of Labor Code 6401.7. Association representatives shall receive release time or their hourly rate of pay for committee work. The District Safety Committee shall also formulate a plan for developing disaster preparedness. 1.1.1.1.1 Copies of the plan will be distributed to each bargaining unit member and additional copies will be provided to the Association upon request. 1.1.1.1.2 The District is responsible for coordinating contact with outside agencies, maintenance of Emergency Procedures Manuals, policy development and review (as recommended by the District Safety Committee), periodic training (as recommended by the District Safety Committee), equipment

CALAVERAS UNIFIED SCHOOL DISTRICT ISSUES FOR FACTFINDING
SUMMARY OF DISTRICT AND ASSOCIATION POSITION

ISSUE	DISTRICT POSITION	ASSOCIATION POSITION
		<p>maintenance, coordination of emergency evacuation drills, maintenance of worksite safety supplies, and maintenance of worksite safety devices.</p> <ul style="list-style-type: none"> • 1.1.1.1.3 In addition to and in compliance with the responsibilities as outlined in the above sections, the committee shall develop provisions that address: <ul style="list-style-type: none"> • 1.1.1.1.3.1 The utilization of State funds pursuant to Education Code Sections 32228.1 and 32228.2. • 1.1.1.1.3.2 The development of programs that will teach pupils and teachers techniques for identifying and resolving conflicts without violence. • 1.1.1.1.3.3 The development and implementation of training programs for school staff and administrators to support and promote conflict resolution and mediation techniques for resolving conflicts between and among pupils. • 1.1.1.1.3.4 Providing schools/sites with personnel, including, but not limited to, licensed or certified school counselors, social workers, nurses and psychologists who are trained in conflict resolution. Law enforcement personnel hired shall be sworn peace officers. • 1.1.1.1.3.5 The purchase of communication devices, the distribution of said devices and instruction for their use to support any plans or programs pursuant to this article. • 1.1.1.1.3.6 The development and implementation of staff development programs for school staff to learn to identify at-risk pupils, communicate effectively with such pupils and refer such pupils to appropriate school-community relationships. • 1.1.1.1.3.7 The establishment of

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		<p>cooperative arrangements with local law enforcement agencies for appropriate school-community relationships.</p> <ul style="list-style-type: none"> • 1.1.1.1.3.8 Requesting from the District data and information that would contribute to the implementation of this article and to meet the goal of providing for safe schools and the prevention of violence among pupils. • 1.1.2 A bargaining unit member may refuse any directions that she/he feels could reasonably endanger anyone's life, safety and/or welfare. No bargaining unit member shall be required to perform duties that would or possibly could endanger one's life, safety or welfare unless a state of emergency has been declared by a government entity having the authority to do so and the bargaining unit member has been pressed into service as a "disaster service worker" under Government Code Section 3100 by a person having the authority to command citizens in the execution of her/his duties. Bargaining unit members may refuse any direction by person(s) until adequate proof of their authority is provided. • 1.1.3 In the event of an emergency closure of District facilities, including but not limited to natural disaster, quarantine, or government order, unit members shall receive their daily rate of pay and benefits. If make-up days are required by law, the District shall negotiate said days with the Association. • 1.1.4 The District shall provide each classroom and major work area with first aid kits containing rubber gloves, mouth-to-mouth breathers, first aid book, flashlight, basic first aid supplies, and

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		<p>other items which may be unique to a work location such as a portable ladder, bullhorn, AM/FM radio, 100 to 1000 feet of line (for use in smoke filled halls or dark buildings), blankets, water, and food packages.</p> <ul style="list-style-type: none"> • 1.1.5 Each classroom and major work area shall have a telephone with monitored central office intercom service and an outside line. The intercom shall be used only for emergency purposes or special announcements. Intercoms and television cameras used for communications and monitoring safety conditions shall not be used for the Exhibit 1.5 purposes of evaluation, discipline, or discharge of unit members. Further, at the unit member's request, the unit member shall be provided a portable emergency alert device, such as a "panic button" for use during the workday.

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PROOF OF SERVICE

I declare that I am a resident of or employed in the County of Modera,
State of CA. I am over the age of 18 years and not a party to the within entitled
cause. The name and address of my residence or business is 34835 LEXINGTON AV
Modera, CA 93636

On _____, I served the PERB Finding
(Date) (describe document(s))
Report

on the parties listed below (include name, address and, where applicable, fax number) by (check
the applicable method or methods):

☒ placing a true copy thereof enclosed in a sealed envelope for collection and delivery
by the United States Postal Service or private delivery service following ordinary business
practices with postage or other costs prepaid;

☐ personal delivery;

☐ facsimile transmission in accordance with the requirements of PERB Regulations
32090 and 32135(d).

HEADQUARTERS OFFICE
2017 JUN -8 AM 11:54

I declare under penalty of perjury that the foregoing is true and correct and that this
declaration was executed on 6/6/2017, at Resno

John G Moseley
(Type or print name)

[Signature]
(Signature)